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11 January 1966

CONGRESSIONAL BRIEFING

(MAP, INDONESIA) INDONESIA

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- I. Indonesia is still reeling from the coup attempt on October first and the army's response to it. These events have virtually reversed the country's political make-up, changing the prevailing domestic atmosphere from pro-Communist to anti-Communist.
  - A. As the result of the abortive coup--which clearly involved the Communist Party and was directed against top army leaders--the army has assumed the political ascendancy in Indonesia.
    1. It has stopped short, however, of moving openly against President Sukarno, who had championed the Communists and who has tried to protect the party since the coup.
- II. The twenty-year era of Sukarno's dominance is finished, but he is maneuvering to retain what power he can, and he remains a significant factor.
  - A. To the extent that he can, he obstructs the army's anti-Communist program, and maneuvers to reduce the army's political role and to restore a leftist complexion to political life.

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III. Army leaders show little disposition to depose Sukarno. They believe that a move against the still popular president would be a major political blunder which could split the armed forces and demoralize the country.

A. Army leaders are counting on Sukarno's poor health to remove him from the scene in the not-too-distant future. For the present, their preference is to wait for his death rather than risk further domestic turmoil.

B. Western medical prognoses generally give Sukarno at least another 12 months, but add that he could go on for three years.

IV. The Communist Party's overt organization has been virtually destroyed by the army, and the danger of a phased Communist takeover--so real a few months ago--is dissipated.

A. All members of the politburo now are reported either dead or in prison, and the army hopes to eliminate all central and district leadership.

B. The army reportedly has kept no tally of the number of Communist Party members killed by the military and by Moslem civilian groups, but

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the estimates range from 50,000 to 150,000.

Chief areas of former Communist strength, and of subsequent army and civilian anti-Communist activity, have been East and Central Java, North Sumatra, and Bali.

- C. Although Sukarno has refused to ban the party outright, army regional commanders have banned Communist activity in more than half of the nation, and repression has led to large-scale defections from the party.
  
- V. The party, to the extent that it functions at all, has reverted to an underground cell structure.
  - A. For the time being, this clandestine apparatus is relatively inactive, It is waiting for the army campaign to taper off.
  - B. It is believed, however, to retain the capacity for at least limited sabotage.
  - C. Prospects for a resurgence of an underground organization probably are good; it is unlikely that the army--if it retains its political ascendancy--will permit overt Communist activity to resume for several years.

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VI. Indonesia's foreign relations reflect the changed domestic scene to some extent. Indonesian relations with the US have improved, and those with Communist China have deteriorated greatly.

A. Communist China was Indonesia's principal ally in the months before the coup attempt.

1. The army claims that China materially assisted the Communists in launching the coup.
2. Civilian groups--apparently with the army's approval--have organized occasionally violent demonstrations at Chinese consulates. They have seriously damaged Overseas Chinese assets in Indonesia, and have persecuted resident Chinese.
3. Peking has sent a series of sharp protests to the Indonesian Government over the incidents, but these have had little effect.
4. Sukarno continues to state publicly that Indonesian-Chinese cooperation must continue, but in practice, Indonesia's pro-Chinese policy has been abandoned.

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- B. Relations with the US--characterized by mounting anti-Americanism before the coup--have greatly changed, with indications of further improvements to come.
1. The anti-American flavor of Indonesian politics is generally gone. Indonesian civilians are willing to talk freely again with Americans.
  2. The balance between the army leaders and Sukarno, however, is still so delicate that top army leaders have been careful not to talk directly with US Embassy officials. They do not want to give their opponents an opening to start yelling about "puppets of the imperialists."
  3. The most immediate US problem--the status of American-owned oil companies in Indonesia--shows signs of more favorable treatment than earlier expected.
  4. Latest indications are that the government will not press for an actual takeover of Stanvac and Caltex properties, as earlier threatened, but will continue harassment of the companies.
  5. Negotiations continue for the sale of the relatively small US-owned rubber plantations to the Indonesian Government.

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- C. Nobody appears to be doing anything to cope with Indonesia's chronic economic problems.
1. The army has not come up with any remedies and---to avoid being blamed--has announced that Sukarno and the cabinet are still responsible for the economy.
  2. Sukarno, for his part, may be willing to let things get worse so he can generate demands that he resume full control and straighten things out.
- VII. The confrontation with Malaysia--both political and military--continues, but activity is limited, and confrontation is no longer a major national issue.
- A. The Malaysian campaign is useful to the army leaders in a number of ways.
1. It gives them a chance to demonstrate that they are as nationalistic and anti-imperialist as Sukarno.
  2. At the same time, it affords a theater where the command can deploy army battalions which have been infiltrated by too many Communists to risk keeping them in Java.

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- B. Indonesia has not recognized Singapore, but has resumed a limited barter trade, carried on at sea in neutral waters.

VIII. Reports are circulating again in Djakarta that Sukarno will leave the country soon for medical treatment and a long-postponed vacation.

- A. These reports are difficult to evaluate. Sukarno's travel plans are usually closely held and subject to improvisation. The current situation is made-to-order for rumors both planted and spontaneous.
- B. Should he leave the country, his departure would appear as a dramatic development, but its practical political effect would not be major. Rather, it would tend to confirm the political trends which are already evident in Indonesia.

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